



SACHI A. HAMAI
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

"To Enrich Lives Through Effective And Caring Service"

Board of Supervisors
HILDA L. SOLIS
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May 03, 2016

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

22 May 3, 2016

LORI GLASGOW
EXECUTIVE OFFICER

**LEASE RENEWAL
CHILD SUPPORT SERVICES DEPARTMENT
DEPARTMENT OF PUBLIC HEALTH
20221 HAMILTON AVENUE, TORRANCE
(FOURTH DISTRICT)
(3 VOTES)**

SUBJECT

An eight-year lease renewal for approximately 66,825 square feet of office space, and 238 on-site parking spaces for the Child Support Services Department's Division 5 and the Department of Public Health's Torrance Health Center, Environmental Health, and Health Facilities Investigation Division.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the proposed lease renewal is categorically exempt from the provisions of the California Environmental Quality Act pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board of Supervisors, per Section 15301 of the State of California Environmental Quality Act Guidelines (Existing Facilities).
2. Approve and instruct the Chair to sign the eight-year lease renewal with Hamilton Venture LP (Landlord), for approximately 66,825 square feet of office space, and 238 on-site parking spaces located at 20221 Hamilton Avenue, Torrance, for the Child Support Services Department and the Department of Public Health at an initial maximum annual rental cost of \$2,348,788. The rental cost for the Child Support Services Department is fully funded from State and federal funds. The rental cost for the Department of Public Health is fully funded from State funds and revenue collected from program activities, except for the 12,593 square feet of clinic space, which is 100 percent net County cost.

3. Authorize the Internal Services Department, the Landlord or Landlord's County approved vendor, at the direction of the Chief Executive Office, to acquire telephone, data, and low voltage systems at a cost not to exceed \$1,080,137, which will be paid by the Child Support Services Department and the Department of Public Health via lump sum or financed over a five-year term, in addition to the tenant improvement allowances provided under the lease.

4. Authorize and direct the Chief Executive Officer to execute any other ancillary documentation necessary to effectuate the lease, and authorize and direct the Chief Executive Officer and the Directors of Child Support Services, Public Health, and Internal Services to take actions necessary and appropriate to implement the project. The lease will be effective upon approval by the Board of Supervisors, but the term and rent will commence upon completion of the improvements by the Landlord or Landlord's County-approved vendors, and acceptance by the County.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The proposed lease renewal for 66,825 square feet of office space is comprised of 12,593 square feet of existing clinic space for Department of Public Health's (DPH) Torrance Health Center, 18,915 square feet of new office space for DPH's Environmental Health (EH) and Health Facilities Investigation Division (HFID), and 35,317 square feet of existing office space for Child Support Services Department's (CSSD) Division 5, servicing the South Bay area. DPH's EH will be relocated from 122 West 8th Street, Los Angeles, and HFID will be relocated from 600 South Commonwealth Avenue, Los Angeles.

CSSD currently occupies 18,915 square feet on the first floor, and 35,317 square feet on the second floor. CSSD has downsized their operations and is consolidating all of their 153 staff to the second floor. Reorganization of the space will allow DPH to backfill the first floor with 102 staff, thus maximizing the efficiency of the space.

CSSD's Division 5 is a direct service program that works to enforce the financial responsibility of parents to support their children. DPH's EH provides direct services to the community by performing inspections of food safety of retail food facilities, multiple residential units, wholesale food, hotels, solid waste facilities, along with vector control activities. DPH's HFID provides direct services conducting recertification surveys, investigating complaints in skilled nursing facilities, home health agencies and other health facilities, and holding administrative hearings. DPH's Torrance Health Center provides immunizations, tuberculosis testing along with follow-up X-rays, and an STD clinic.

The Landlord is providing at its sole cost, \$983,588 in base tenant improvement (TI) allowance, and \$2,785,970 in additional reimbursable TI dollars to cover the costs of the reorganization of the two departments.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan Goal of Operational Effectiveness/Fiscal Sustainability (Goal 1) directs that we maximize the effectiveness of processes, structure, operations, and strong fiscal management to support timely delivery of customer-oriented and efficient public services, and the Goal of Integrated Services Delivery (Goal 3) directs that we improve client and community outcomes through the continuous integration of services while safeguarding long-term fiscal sustainability for County services. In this case, the County is supporting these goals by consolidating operations, and improving efficiencies to provide quality information and services to residents. The proposed lease renewal is in conformance with the Asset Management Principles as further outlined

in Attachment A.

FISCAL IMPACT/FINANCING

The proposed lease renewal will be comprised of an initial base rent of \$84,200 monthly, or \$1,010,394 annually, i.e., \$1.26 per square foot per month, an initial full-service operating rent of \$58,138 monthly, or \$697,653 annually, i.e., \$0.87 per square foot per month, and the maximum additional TI allowance reimbursement of \$53,395 per month, or \$640,741 annually for five years. The lease cost for the entire lease term, including TI reimbursement, is approximately \$16,868,081. The total annual rent amounts to \$2,348,788. This represents an increase of \$8,231 monthly, or \$98,768 annually.

This is a full-service gross lease whereby Landlord is responsible for all operating costs associated with the County's occupancy. The base and operating rents are subject to an annual increase of 2.5 percent throughout the lease term. On-site parking for 238 unreserved spaces is included in the rent. Attachment B is an overview of the changes in the lease.

Sufficient funding for the proposed lease renewal costs will be included in the Fiscal Year (FY) 2016-17 Rent Expense budget and will be billed back to CSSD and DPH. CSSD and DPH will allocate sufficient funds in their FY 2016-17 operating budgets to cover the projected lease renewal costs, which are 100 percent funded from State and federal funds, except for the 12,593 square foot DPH Clinic at an annual cost of \$511,276, which is 100 percent net County Cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed lease renewal will provide the continued use of the existing space consisting of approximately 66,825 square feet of office space, and 238 on-site parking spaces, and contains the following provisions:

- A new eight-year lease effective upon approval by the Board of Supervisors, with the term and rent commencing 30 days after delivery and acceptance of the premises by the County.
- A full-service gross basis, with the Landlord responsible for all operational and maintenance costs.
- A cancellation provision allowing the County to cancel after the 4th anniversary of the commencement date for Suite 1 (12,593 square foot DPH Clinic), and after the 7th anniversary for Suites 2 and 3 (1st and 2nd floor – 18,915 square feet occupied by EH and 35,317 square feet occupied by CSSD), upon 90 days prior written notice.
- A non-reimbursable TI allowance of \$983,588, or \$14.72 per square foot.
- A reimbursable additional TI allowance of \$2,785,940, or \$41.69 per square foot, which may be paid in lump-sum, or amortized over the initial five years of the lease renewal at 6 percent.
- Annual 2 ½ percent increases for the Base and Operating Rent.
- 238 on-site parking spaces.

The Chief Executive Office (CEO), Real Estate Division staff conducted a survey of comparable space within a 5-mile radius to determine the availability of comparable and more economical sites. Staff was unable to identify any sites in the surveyed area that could accommodate this requirement more economically, nor are there any County-owned or leased facilities available for this program. Based upon said survey, staff has established that the rental range for similar space is between \$24.20 and \$35.40 per square foot per year on a full service gross basis, excluding parking. Thus, the base annual rent of \$25.56 per square foot per year on a full-service gross basis, including parking, for the proposed lease represents a rate within the market range for the area. Attachment C shows County-owned or leased facilities within a 5-mile radius of the desired location, and there are no suitable County-owned or leased facilities available for the program.

The proposed lease renewal will provide a convenient and appropriate location in relation to the designated service area, which is consistent with the County's Facility Location Policy, adopted by the Board of Supervisors on July 24, 2012, as outlined in Attachment D.

The Department of Public Works has previously inspected this facility and found it suitable for the County's occupancy. Notification letters have been sent pursuant to Government Code Sections 25351 and 65402.

County Counsel has reviewed the attached lease related to the proposed renewal and has approved it as to form.

ENVIRONMENTAL DOCUMENTATION

The CEO has concluded that the lease renewal is exempt from the California Environmental Quality Act (CEQA) as specified in Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board of Supervisors, and Section 15301 of the State CEQA Guidelines (Existing Facilities).

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed lease renewal will adequately provide the necessary office space for this County requirement. CSSD and DPH concur with the proposed recommendation.

CONCLUSION

It is requested that the Executive Office, Board of Supervisors, return four originals of the executed lease, two certified copies of the Minute Order, and the adopted, stamped Board letter to the CEO, Real Estate Division at 222 South Hill Street, 4th Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Sachi A. Hamai".

SACHI A. HAMAI

Chief Executive Officer

SAH:DPH:CMM

TS:MMK:gw

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Child Support Services
Public Health

**CHILD SUPPORT SERVICES DEPARTMENT
DEPARTMENT OF PUBLIC HEALTH
20221 HAMILTON AVENUE, TORRANCE
Asset Management Principles Compliance Form¹**

1.	<u>Occupancy</u>		Yes	No	N/A
A	Does lease consolidate administrative functions? ² The co-located programs provide services to the similar service area.			X	
B	Does lease co-locate with other functions to better serve clients? ²		X		
C	Does this lease centralize business support functions? ²				X
D	Does this lease meet the guideline of 200 sq. ft. of space per person? ² No, the proposed lease is 246 sq. ft. per person due to the additional space required for the clinic, interview rooms, and waiting areas for the public.			X	
E	Does lease meet the 4/1000 sq. ft. parking ratio guideline? ² County has possession of 100% of the parking available in the building, which is only 3.6/1,000. There is ample parking for staff and visitors.			X	
F	Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed lease location? ²		X		
2.	<u>Capital</u>				
A	Is it a substantial net County cost (NCC) program? Only the DPH clinic is NCC.			X	
B	Is this a long term County program?		X		
C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?			X	
D	If no, are there any suitable County-owned facilities available?			X	
E	If yes, why is lease being recommended over occupancy in County-owned space?				X
F	Is Building Description Report attached as Attachment C?		X		
G	Was build-to-suit or capital project considered? The lease is subvended, except for the clinic space.			X	
3.	<u>Portfolio Management</u>				
A	Did department utilize CEO Space Request Evaluation (SRE)?		X		
B	Was the space need justified?		X		
C	If a renewal lease, was co-location with other County departments considered?				X
D	Why was this program not co-located?				
	1. ____ The program clientele requires a "stand alone" facility.				
	2. ____ No suitable County occupied properties in project area.				
	3. ____ No County-owned facilities available for the project.				
	4. ____ Could not get City clearance or approval.				
	5. <u>X</u> The Programs are co-located.				
E	Is lease a full service lease? ²		X		
F	Has growth projection been considered in space request?		X		
G	Has the Dept. of Public Works completed seismic review/approval?				X
¹ As approved by the Board of Supervisors 11/17/98					
² If not, why not?					

ATTACHMENT B

**FISCAL IMPACT / FINANCING
OVERVIEW OF LEASE CHANGES**

20221 Hamilton Ave.	Existing Lease	Proposed Lease Renewal	Change
Area (square feet)	66,825	66,825	None
Term	Five Years (6/1/2012-5/31/2017)	8 years	+8 years
Annual Base Rent	\$961,610 (\$14.39/sq.ft.)	\$1,010,394 (\$15.12/sq.ft.)	+\$48,784 (\$0.73/sq.ft.)
Annual Operating Rent	\$647,669 (\$9.69/sq.ft.)	\$697,653* (\$10.44/sq.ft.)	+\$49,984 (\$0.75/sq.ft.)
Base TI Allowance	None	\$983,588 (\$14.72/sq.ft.)	+\$983,588 (\$14.72/sq.ft.)
Additional TI Allowance	None	\$2,785,970 (\$41.69/sq.ft.)	+\$2,785,970 (\$41.69/sq.ft.)
Cancellation	County right after 48 th month	County right after 48 th month for Suite 1 and 84 th month for Suites 2 and 3	84 th month for Suites 2 and 3
Parking (included)	238 spaces	238 spaces**	None
Option to Renew	One 5-year option	No option	None
Rental Adjustment	Base Rent: 2% annually Operating Rent: CPI with a 2.5% minimum and 5% maximum	Base and Operating Rent: Fixed 2.5%	+Base Rent: 0.5% +Operating Rent: 5% maximum

* Operating Rent is comprised of the following expenses: administrative, accounting, legal, contract services, repair and maintenance, utilities, taxes, and insurance.

** With 102 additional staff, the total number of staff is 272. 238 spaces remains sufficient per County guidelines.

ATTACHMENT C

**CHILD SUPPORT SERVICES DEPARTMENT
DEPARTMENT OF PUBLIC HEALTH
SPACE SEARCH WITHIN A 5-MILE RADIUS OF DESIRED LOCATION *
20221 HAMILTON AVENUE, TORRANCE**

LACO	FACILITY NAME	ADDRESS	SQUARE FEET GROSS	OWNERSHIP	SQUARE FEET AVAILABLE
4578	Harbor – Main Hospital Bldg.	1000 W. Carson St., Torrance 90502	487,137	Financed	None
C600	DPSS – South Family AP/Special District Offices	17600 S. Santa Fe Ave., Rancho Dominguez 90221	133,000	Leased	None

*** Search parameter with a minimum space requirement of 60,000 square feet.**

FACILITY LOCATION POLICY ANALYSIS

Proposed lease renewal: A eight-year lease renewal for the Child Support Services Department (CSSD) and Department of Public Health (DPH) – 20221 Hamilton Avenue, Torrance – 4th District. There is a County cancellation right at any time after the 48th month for Suite 1 and 84th month for Suites 2 and 3, with a 90-days prior written notice.

A. Establish Service Function Category – Regional and local direct public services.

B. Determination of the Service Area – The proposed lease renewal will allow CSSD's Division 5 to continue to provide direct child support services to South Bay area. DPH's EH and HFID needed to be in close proximity to the 405 and 110 freeways due to their field inspection areas.

C. Apply Location Selection Criteria to Service Area Data

- Need for proximity to service area and population: CSSD and DPH programs are most effective when centrally located to their service area and near major freeways. This location meets the service area criteria and remains in the desired area.
- Need for proximity to existing County facilities: N/A
- Need for proximity to Los Angeles Civic Center: N/A
- Economic Development Potential: N/A
- Proximity to public transportation: The location is adequately served by local transit services.
- Availability of affordable housing for County employees: The surrounding area provides for affordable housing and rental opportunities.
- Use of historic buildings: N/A
- Availability and compatibility of existing buildings: This is an existing County leased facility available to meet both Departments' service needs.

- Compatibility with local land use plans: The City of Torrance has been notified of the proposed County usage which is consistent with its use and zoning for office and clinic space at this location.
- Estimated acquisition/construction and ongoing operational costs: The initial annual rent of \$1,708,047, i.e., \$2.13 per square foot per month, including parking. Tenant improvement reimbursements can be paid in lump sum or over 5 years at \$640,471 annually. Rental costs are fully funded by State, federal funds, and revenue generated, except for the DPH's Torrance Clinic, which is 100 percent net County Cost.

D. Analyze results and identify location alternatives

Based upon the space and service needs of CSSD and DPH, staff surveyed the immediate area to determine the availability of comparable and more economical site alternatives. Based on a survey of the area, staff established that no viable or suitable alternatives to the existing location were available. The annual rental range for similar office space is between \$24.20 and \$35.40 per square foot on a full-service gross basis, excluding parking. Therefore, the proposed annual rent of \$24.56 per square foot per year on a full-service gross basis, including parking, is within market range and supports the lease renewal proposal at this location.

E. Determine benefits and drawbacks of each alternative based upon functional needs, service area, cost and other Location Selection Criteria

The proposed lease renewal for CSSD and DPH will provide adequate office and clinic space in a central location for its employees to optimally service clients, which is consistent with the County's Facility Location Policy, adopted by the Board of Supervisors on July 24, 2012. There are no available buildings in the area which met the Department requirements.

**COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE
LEASE AGREEMENT**

**DEPARTMENT:
CHILD SUPPORT SERVICES DEPARTMENT
AND
DEPARTMENT OF PUBLIC HEALTH, AS TENANT**

**LANDLORD:
HAMILTON VENTURE LLP,
A CALIFORNIA LIMITED PARTNERSHIP**

**20221 HAMILTON AVENUE
1ST AND 2ND FLOORS
TORRANCE, CA 90502**

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COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE
LEASE AGREEMENT

THIS LEASE AGREEMENT ("Lease") is entered into as of the 3rd day of May, 2016 between HAMILTON VENTURE LP, a California limited partnership ("Landlord"), and COUNTY OF LOS ANGELES, a body politic and corporate ("Tenant" or "County").

Landlord and Tenant agree:

1. BASIC LEASE INFORMATION The following terms as used herein shall have the meanings provided in this Section 1, unless otherwise specifically modified by provisions of this Lease.

1.1 Defined Terms Relating to the Lease:

(a) Landlord's Address for Notice:

HAMILTON VENTURE LP
c/o Property Management Associates, Inc.
Attn: Jason LaPoint
6011 Bristol Parkway
Culver City, CA 90230
Email: JLaPoint@wemanageproperties.com

With a copy to:

Liner LLP
1100 Glendon Avenue, 14th Floor
Los Angeles, California 90024
Attention: Michael Kiely
Email: mkiley@linerlaw.com

(b) Tenant's Address for Notice:

Board of Supervisors
Kenneth Hahn Hall of Administration,
Room 383
500 West Temple Street
Los Angeles, California 90012

With a copy to:

Chief Executive Office
Real Estate Division
222 South Hill Street, 3rd Floor
Los Angeles, California 90012
Attention: Director of Real Estate

78484

- (c) Premises: 66,825 square feet of office and clinic space comprised of the following:
- Suite 1: 12,593 rentable square feet of clinic space on the first floor (DPH)
- Suite 2: 18,915 rentable square feet of office space on the first floor (DPH)
- Suite 3: 35,317 rentable square feet of office space on the second floor (CSSD)
- As shown on Exhibit A attached hereto.
- (d) Building: The building located at 20221 Hamilton Avenue, Torrance, which is currently assessed by the County Assessor as APN 7351-033-022(the "Property");
- (e) Term: Eight (8) years commencing 30 days after Tenant's Acceptance of the Premises as defined in Section 4.1 (the "Commencement Date"); and terminating at midnight on the day before the 8th anniversary of the Commencement Date (the "Termination Date"), subject to earlier termination by Tenant as provided herein. The Lease Term, or words of similar import, shall refer to the initial Term of this Lease together with any additional Extension Term for which an option has been validly exercised.
- (f) Projected Commencement Date: June 1, 2016
- (g) Irrevocable Offer Expiration Date: June 1, 2016
- (h) Rent: Monthly Rent of \$142,337.25 comprised of the following:
- Base Rent : \$84,199.50 per month (which is based upon a rental rate of \$1.26 per rentable square foot
- Operating Rent: \$58,137.75 (which is based upon a rental rate of \$0.87 per rentable square foot
- (adjustable only as provided in Sections 2(b) and 5 hereof.)

- (i) Early Termination Date: Suite 1: Anytime after the 4th anniversary of the Commencement Date with a written 90 days notice.
- Suites 2 & 3: Anytime after the 7th anniversary of the Commencement Date with a written 90 days notice
- (j) Rentable Square Feet in the Premises: 66,825
- (k) Use: General office and clinic use or for any other lawful purposes not incompatible with other uses in the Building
- (l) Initial Departmental Use: Child Support Services Department and Department of Public Health
- (m) Parking Spaces: 238
- (n) Normal Working Hours: 7:00 a.m. to 6:00 p.m., Monday through Friday and 9:00 a.m. to 1:00 p.m. Saturday, except New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day (on the days such holidays are generally observed) and such other holidays as are generally recognized by the County of Los Angeles, California.
- (o) Asbestos Report: N/A

1.2 Defined Terms Relating to Landlord's Work Letter:

- (a) Base Tenant Improvement Allowance: Suite 1: \$94,448 (\$7.50 per rentable square foot)
- Suite 2: \$359,385 (\$19 per rentable square foot)
- Suite 3: \$529,755 (\$15 per rentable square foot)
- (b) Additional Tenant Improvement Allowance: Suite 2: Up to \$1,134,900 (\$60 per rentable square foot)
- Suite 3: Up to \$1,651,070 (\$46.75 per rentable square foot)

- (c) Maximum Change Order Allowance: N/A
- (d) Additional Tenant Improvement and Change Order Amortization Rate: 6% per annum (Amortized over five (5) years)
- (e) Tenant's Work Letter Representative: Mindy Kim and/or assigned staff of the Chief Executive Office, Real Estate Division to act on behalf of the Tenant.
- (f) Landlord's Work Letter Representative: Jason LaPoint and/or an assigned staff of the Landlord.
- (g) Landlord's Address for Work Letter Notice: HAMILTON VENTURE LP
c/o Property Management Associates, Inc.
6011 Bristol Parkway
Culver City, CA 90230
- (h) Tenant's Address for Workletter Notice: Board of Supervisors
Kenneth Hahn Hall of Administration,
Room 383
500 West Temple Street
Los Angeles, California 90012

With a copy to:

Chief Executive Office
Real Estate Division
222 South Hill Street, 3rd Floor
Los Angeles, California 90012
Attention: Director of Real Estate

1.3 Exhibits to Lease:

Exhibit A: Floor Plan
Exhibit B: N/A
Exhibit C: Cleaning Schedule
Exhibit D: Tenant Estoppel Certificate
Exhibit E: Subordination, Non-disturbance and Attornment Agreement
Exhibit F: Request for Notice
Exhibit G: Community Business Enterprises Form

1.4 Landlord's Work Letter:
(Executed concurrently with this Lease and made a part hereof by this reference):

Landlord's Work Letter
Addendum A: Base Building Improvements
Addendum B: Tenant Improvements
Addendum C: Memorandum of Tenant Improvements Costs

2. PREMISES

(a) Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord, upon the terms and conditions herein set forth, the Premises described in Section 1 and Exhibit A attached hereto.

(b) The parties stipulate that the rentable square footage of the Premises set forth in Section 1.1(j) is correct, and said figure shall be final and binding upon the parties.

3. COMMON AREAS. Tenant may use the following areas ("Common Areas") in common with Landlord and other tenants of the Building: the entrances, lobbies and other public areas of the Building, walkways, landscaped areas, driveways necessary for access to the Premises, parking areas and other common facilities designated by Landlord from time to time for common use of all tenants of the Building. Tenant shall comply with all reasonable, non-discriminatory rules and regulations regarding the use of the Common Areas established by Landlord.

4. COMMENCEMENT AND EXPIRATION DATES

(a) Term. The term of this Lease shall commence upon the Commencement Date and terminate on the Termination Date.

(b) Early Termination. Tenant shall have the right to terminate this Lease with respect to Suites 1 – 3 at any time after the Early Termination Notice Date for such Suite set forth in Section 1.1(i), by giving Landlord not less than 90 days prior written notice executed by the Chief Executive Officer of Tenant.

5. RENT

(a) Tenant shall pay Landlord the Rent stated in Section 1 during the Term hereof within 15 days after a claim therefor for each such month has been filed by Landlord with the Auditor of the County of Los Angeles (the "County") prior to the first day of each month. Rent for any partial month shall be prorated in proportion to the number of days in such month.

(b) Base and Operating Rent Adjustment. From and after the 1st anniversary of the commencement date, on the first day of the first full calendar month thereafter (the "Adjustment Date") and on every anniversary of the Adjustment Date thereafter, Base Rent and Operating Rent shall be increased by two and one half percent (2.5%).

6. USES. The Premises are to be used only for the uses set forth in Section 1 and for no other business or purpose; however, Landlord shall not unreasonably withhold its consent to a change of use.

7. HOLDOVER. If Tenant remains in possession of the Premises or any part thereof after the expiration of the Term of this Lease, such occupancy shall be a tenancy which is terminable only upon 90 days written notice from Landlord or 30 days written notice

from the Chief Executive Officer of Tenant at the last monthly Base Rent payable under this Lease (as such Base Rent may be adjusted from time to time in accordance with this Lease) plus all other charges payable under this Lease, and subject to all of the terms, covenants and conditions of this Lease.

8. COMPLIANCE WITH LAW. Tenant shall, at Tenant's expense, comply promptly with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect during the term hereof, regulating the use, occupancy or improvement of the Premises by Tenant. Landlord, not Tenant, shall, at its sole cost, at all times cause the Premises and the Building to comply with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect and binding upon Tenant or Landlord during the term hereof, including without limitation, Title II and III of the Americans with Disabilities Act, except to the extent such compliance is made necessary as a result of Tenant's particular use of or alterations or improvements to the Premises.

9. DAMAGE OR DESTRUCTION

(a) Damage. In the event any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable and the Premises may be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than 180 days, then Landlord shall promptly, at Landlord's expense, repair such damage and this Lease shall continue in full force and effect; provided, however, that notwithstanding the foregoing or anything to the contrary in this Lease, Landlord's repair obligations with respect to the Premises under Section 9 shall not include repair or restoration of any of Tenant's personal property or trade fixtures or any leasehold improvements made in connection with this Lease. If all or any portion of the Premises shall be made untenable by fire or other casualty, Landlord shall immediately promptly after Landlord's notice and confirmation of such condition, secure the area to prevent injury to persons and/or vandalism to the improvements. Landlord shall promptly, but in any event within ten (10) business days, cause an architect or general contractor selected by Landlord to inspect the Premises and promptly thereafter provide Landlord and Tenant with a written estimate of the amount of time required to substantially complete the repair and restoration of the Premises and make the Premises tenantable again using standard working methods. Landlord's failure to cause the delivery of such estimate shall be a material default hereunder. Base and Operating Rent shall abate to the extent and during such time that such damaged portion of the Premises is unusable by Tenant because of such damage. Tenant waives the provisions of California Civil Code Sections 1932(2) and 1933(4) with respect to any partial or total destruction of the Premises.

(b) Tenant Termination Right. In the event any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable and the Premises will not be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than 180 days for any reason, then Tenant may terminate this Lease by giving written notice within ten days after notice from Landlord specifying such time period of repair; and this Lease shall terminate and the Base Rent shall be

abated from the date the Premises became untenable. In the event that Tenant does not elect to terminate this Lease, Landlord shall promptly commence and diligently prosecute to completion the repairs to the Building or Premises.

(c) Damage In Last Year. Notwithstanding the foregoing provisions, if any material destruction to any Suite comprising the Premises occurs after the Early Termination Date with respect to such Suite set forth in Section 1.1(i) above, either Landlord or Tenant may terminate this Lease with respect to such materially damaged Suite by giving notice to the other party not more than 30 days after such destruction, in which case (a) Landlord shall have no obligation to restore such Suite, (b) Landlord may retain all insurance proceeds relating to such destruction, and (c) this Lease shall terminate with respect to such Suite as of the date which is 30 days after such written notice of termination.

(d) Default By Landlord. If Landlord is required to repair and restore the Premises as provided for in this Section and Landlord should fail to thereafter pursue said repair and restoration work with reasonable diligence to completion, and such failure continues for more than seven (7) consecutive days after written notice thereof from Tenant specifying in detail the matters constituting such lack of reasonable diligence, then Tenant may (a) declare a default hereunder, or (b) perform or cause to be performed the restoration work and deduct the reasonable cost thereof from the Base Rent next due as a charge against the Landlord.

10. REPAIRS AND MAINTENANCE

(a) Landlord Representations. Landlord represents to Tenant that (i) the Premises, the Building and all Common Areas, (including electrical, heating, ventilating and air conditioning ("HVAC"), mechanical, plumbing, gas and fire/life safety systems in the Building and similar building service systems) comply with all current laws, codes, and ordinances, including use the Americans With Disabilities Act; and are in reasonable good working order and condition; (ii) the Building and Premises comply with all covenants, conditions, restrictions and underwriter's requirements; (iii) the Premises, Building and Common Areas are free of the presence of any Hazardous Materials (as hereinafter defined); and (iv) Landlord has not received any notice from any governmental agency that the Building or the Premises are in violation of any law or regulation. Landlord represents, based upon a professional inspection of the Premises and the Building and the Asbestos Report that the Premises and the Building contain no asbestos containing materials (other than as may be reflected in the Asbestos Report). Landlord shall, prior to Tenant's occupancy, abate, at Landlord's sole cost and expense, all asbestos containing materials to the extent required by law and provide Tenant with an updated report from a licensed California Asbestos contractor to that effect.

(b) Landlord Obligations. Landlord shall keep and maintain in good repair and working order and promptly make repairs to and perform maintenance upon and replace as needed: (i) the structural elements of the Building, including without limitation, all permanent exterior and interior walls, floors and ceilings, roof, concealed plumbing, stairways, concealed electrical systems and telephone intrabuilding network cable (ii) mechanical (including HVAC), electrical, plumbing and fire/life safety systems

serving the Building (iii) the Common Areas; (iv) exterior windows of the Building; and (v) elevators serving the Building. Landlord, at its sole cost and expense, shall also perform all maintenance and repairs to the Premises, and shall keep the Premises in good condition and repair, reasonable wear and tear excepted. Landlord's repair obligations include, without limitation, repairs to: (1) the floor covering (if such floor covering is carpeting it shall be replaced as needed but not less often than after five years of use); (2) interior partitions; (3) doors; (4) the interior side of demising walls (which shall be repainted as needed but not less often than every five years); and (5) signage. Landlord shall provide and maintain all exit signage and emergency egress lighting, in accordance with all applicable codes and public safety requirements.

(c) Tenant Obligations. Without limiting Landlord's Obligations, Tenant shall, at Tenant's sole expense, be responsible for the cost of repairing any area damaged by Tenant or Tenant's agents, employees, invitees and visitors and the repair of low voltage electronic, phone and data cabling and related equipment that is installed by or for the exclusive benefit of Tenant. All repairs and replacements for which Tenant is responsible shall: (a) be made and performed by contractors or mechanics approved by both Landlord and Tenant, which consent shall not be unreasonably withheld or delayed; (b) be at least equal in quality, value and utility to the original work or installation; (c) be in accordance with all laws; and (d) be invoiced to Tenant and fully paid by Tenant within thirty (30) business days after Tenant's receipt of any such invoice.

(d) Tenant's Right to Repair. If Tenant provides written notice (or oral notice in the event of an emergency such as damage or destruction to or of any portion of the Building structure and/or the Building systems and/or anything that could cause material disruption to Tenant's business) to Landlord of an event or circumstance which requires the action of Landlord with respect to repair and/or maintenance, and Landlord fails to initiate such action within five (5) business days after the giving of such notice, then Tenant may proceed to take the required action (provided, however, that no such notice shall be required in the event of an emergency which threatens life or where there is imminent danger to property or a possibility that a failure to take immediate action could cause a material disruption in Tenant's normal and customary business activities). Tenant shall have access to the Building to the extent necessary to perform the work contemplated by this provision. If such action was required under the terms of this Lease to have been taken by Landlord and was not taken by Landlord within such period (unless such notice was not required as provided above), and Tenant took such required action, then Tenant shall be entitled to prompt reimbursement by Landlord of Tenant's reasonable costs and expenses in having taken such action plus interest thereon at ten percent (10%) per annum if not paid by Landlord within ten (10) business days of Landlord's receipt of satisfactory evidence of such costs and expenses. If not reimbursed by Landlord within such ten (10) business day period, Tenant shall be entitled to deduct from Base Rent payable by Tenant under this Lease the amount set forth in its invoice for such work provided to Landlord prior to the start of such ten (10) business day period. The remedies provided in this Section are in addition to the remedies provided in Section 14.

(e) Tenant at its sole option, acting through the CEO, may request the Landlord to perform, supply and administer any repairs, replacements, or services that are the responsibility of the Tenant and Tenant shall promptly reimburse Landlord for such costs as additional rent.

11. SERVICES AND UTILITIES

Landlord shall be responsible for providing the following services, utilities, and utility charges to the Premises, at its sole cost and expense:

(a) Heating, Ventilation and Air Conditioning. Landlord shall furnish heating, ventilation and air conditioning ("HVAC"), during Normal Working Hours in amounts required for the use and occupancy of the Premises for normal office purposes to a standard comparable to other comparable office buildings in the vicinity of the Building.

(b) Utilities. Landlord agrees to pay when due all charges for the use of the sewer, effluent treatment, when and if imposed by any Governmental authority, all water, sprinkler standby charges, electricity, gas, and other lighting, heating, and power and other utility rents and charges accruing or payable in connection with the demised Premises during the term of this Lease or any renewal, extension, or holdover thereof, whether the same are prorated or measure by separate meters.

(c) Electricity. Landlord shall furnish to the Premises the amount of electric current provided for in the Working Drawings approved by Landlord (if applicable) but in any event not less than seven watts of electric current (connected load) per square foot of Rentable Square Feet in the Premises, for power and lighting and electric current for HVAC, and Landlord shall provide the existing or new transformers or subpanels on each floor of the Premises necessary for Tenant to utilize such capacity in the Premises.

(d) Elevators. Landlord shall furnish elevator services to the Premises during Normal Working Hours. During all other hours, Landlord shall furnish elevator service in the elevator bank serving the Premises on an as needed basis by prior arrangement with Landlord's building manager.

(e) Water. Landlord shall make available water for normal lavatory and potable water meeting all applicable governmental standards for drinking purposes in the Premises.

(d) Janitorial. Landlord shall provide janitorial service on five nights per week generally consistent with that furnished in comparable office buildings in the County of Los Angeles, but not less than the services set forth in the specifications set forth in Exhibit C attached hereto.

(e) Access. Landlord shall furnish to Tenant's employees and agents access to the Building, Premises and Common Areas on a seven day per week, 24 hour per day basis, subject to compliance with Landlord's reasonable security measures as shall from time to time be in effect for the Building.

12. LANDLORD ACCESS. Tenant shall permit Landlord and its agents to enter the Premises upon prior written notice for the purpose of inspecting the Premises for any reasonable purpose. If Landlord temporarily closes any portion of the Building or Premises and such closure does not result from damage or the investigation of any matter caused by Tenant or Tenant's agents, employees, invitees or visitors, then Base and Operating Rent shall be prorated during the time of such closure based upon the percentage of the Premises or Building rendered untenable and not used by Tenant as the result of such closure. Landlord shall have the right at any and all times to enter the Premises in the event of an emergency.

13. TENANT DEFAULT

(a) Default. The occurrence of any one or more of the following events (a "Tenant Default") shall constitute a material default and breach of this Lease by Tenant:

(i) The failure by Tenant to make any payment of Base Rent or any other payment required to be made by Tenant hereunder (except to the extent an offset is expressly permitted hereunder), as and when due and if the failure continues for a period of ten (10) days after written notice to Tenant;

(ii) The failure by Tenant to observe or perform any of the other covenants, conditions or provisions of this Lease, where such failure shall continue for a period of 30 days after written notice from Landlord specifying in detail the nature of the Tenant Default; provided, however, if more than 30 days are reasonably required for its cure then Tenant shall not be deemed to be in default if Tenant commences such cure within said 30-day period and thereafter diligently prosecutes such cure to completion.

(b) Termination. Tenant agrees that if a Tenant Default should occur and should not be cured within the time periods set forth above, it shall be lawful for Landlord to terminate this Lease upon the giving of written notice to Tenant. In addition thereto, Landlord shall have such other rights or remedies as may be provided by law.

(c) No Effect on Indemnity. Nothing in this Article shall be deemed to affect either Landlord or Tenant's right to indemnification under any indemnification clause or clauses set forth in this Lease.

14. LANDLORD DEFAULT

(a) Remedies. In addition to the provisions for Landlord's default provided by Sections 9(d), 10(c) 19 and 20(b), Landlord shall be in default ("Landlord Default") in the performance of any obligation required to be performed by Landlord under this Lease if Landlord has failed to timely perform such obligation within five days after the giving of written notice with respect thereto by Tenant (which notice shall be, if appropriate, the same notice given under Section 10(c)) ; provided, however, that if the nature of the Landlord Default is such that the same cannot reasonably be cured within such ten (10) day period, Landlord shall not be deemed to be in Landlord Default if Landlord shall within such period commence such cure and thereafter diligently prosecute the same to completion. If the Landlord Default is of such a nature that it

materially and substantially interferes with Tenant's occupancy and use of the Premises and if such Landlord Default is not cured within the foregoing cure period including such time as provided above with respect to matters that cannot reasonably be cured within ten (10) days, then Tenant shall have the right, at its option, after notice therefore to Landlord, to any one or more of the following described remedies in addition to all other rights and remedies provided at law or in equity or elsewhere herein: (i) to remedy such default or breach and deduct the costs thereof (including but not limited to attorneys' fees); (ii) to pursue the remedy of specific performance; (iii) to seek money damages for loss arising from Landlord's failure to discharge its obligations under this Lease or offset such damages against Base Rent next coming due; and/or (iv) to terminate this Lease. Notwithstanding the foregoing or anything to the contrary in this Lease, under no circumstances shall Landlord be liable for consequential or punitive damages of any kind, including, without limitation, injury to Tenant's business or for any loss of income or profit therefrom.

(b) Waiver. Nothing herein contained shall relieve Landlord from its duty to effect the repair, replacement, correction or maintenance required to restore any affected services, or to perform any other obligations to the standard prescribed in this Lease, nor shall this Section be construed to obligate Tenant to undertake any such work.

(c) Emergency. Notwithstanding the foregoing cure period, Tenant may cure any default without notice where the failure promptly to cure such default would, in the reasonable opinion of Tenant, create or allow to persist an emergency condition or materially and adversely affect the operation of Tenant's business in the Premises.

15. ASSIGNMENT AND SUBLETTING. Tenant may not assign or otherwise transfer this Lease or sublet the whole or any part of the Premises without first obtaining Landlord's prior consent: provided, however, that no such assignment, subletting or other transfer shall relieve Tenant of any liability under this Lease unless Landlord has given its written consent thereto, which Landlord shall not unreasonably withhold if the assignee has a financial condition which is reasonably sufficient for it to be responsible for all future obligations under this Lease.

16. ALTERATIONS AND ADDITIONS

(a) Landlord Consent. Tenant shall not make any structural alterations, improvements, additions, or utility installations in or about the Premises (collectively, "Alterations") without first obtaining the written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed, provided that such consent shall be requested by Tenant not less than 30 days prior to the commencement of the work and Tenant shall reimburse Landlord for Landlord's reasonable costs and expenses incurred in connection with evaluation of any such request for consent. However, Landlord's consent shall not be required for any Alteration that satisfies all of the following criteria: (1) complies with all Laws; (2) is not visible from the exterior of the Premises or Building; (3) will not materially affect the systems or structure of the Building; and (4) does not unreasonably interfere with the normal and customary business office operations of other tenants in the Building. If Landlord fails to respond in

writing within 30 days of such request, Landlord shall be deemed to approve the Alterations.

(b) End of Term. Any Alterations not removed by Tenant shall become the property of Landlord and remain upon and be surrendered with the Premises at the expiration of the Term. Landlord may, by written notice to Tenant at any time prior to the Termination Date (or earlier date of termination of this Lease with respect to any Suite comprising the Premises), require Tenant, at Tenant's expense, to promptly remove any Tenant Improvements or other Alterations that, in Landlord's reasonable judgment, are of a nature that would require removal and repair costs that are in excess of the removal and repair costs associated with standard office improvements. Tenant shall promptly repair any damage caused by the installation or removal of any Tenant Improvements or Alterations removed or required to be removed by Tenant.

17. CONDEMNATION

(a) Controlling Terms. If during the Term, or during the period of time between the execution of this Lease and the Commencement Date, there is any taking of all or any part of the Premises or any interest in this Lease by Condemnation (as defined below), this Section shall determine the rights and obligations of Tenant and Landlord. "Condemnation" shall mean the exercise of any governmental power to take title to any portion of the Premises, whether by legal proceedings or otherwise, by a Condemnor (as defined below) or a voluntary sale or transfer by Landlord to any Condemnor, either under threat of a Condemnor's exercise of such power or while legal proceedings are pending for the exercise of such power. "Condemnor" shall mean any public or quasi-public authority, or private corporation or individual, having the power of Condemnation.

(b) Total Taking. If the Premises are totally taken by Condemnation, this Lease shall terminate on the date the Condemnor has a right to possession of the Premises (the "Date of Taking").

(c) Partial Taking. If any portion, but not all, of the Premises is taken by Condemnation, this Lease shall remain in effect, except that Tenant may elect to terminate this Lease if, in Tenant's reasonable judgment, the remaining portion of the Premises (including the space available for parking) is rendered unsuitable for Tenant's continued use of the Premises. If Tenant elects to so terminate this Lease, Tenant must exercise its right to terminate by giving notice to Landlord within 30 days after the date that Landlord provides Tenant with written notice of the nature and the extent of the Condemnation (the "Determination Date"). Such termination notice from Tenant shall set forth the date of termination, which shall not be earlier than 30 days nor later than 90 days after Tenant has notified Landlord of its election to terminate; except that this Lease shall terminate on the Date of Taking if the Date of Taking falls on a date before the date of termination as designated by Tenant. If Tenant does not so notify Landlord within 30 days after the Determination Date, all obligations of Tenant under this Lease shall remain in effect, except that Base Rent shall be equitably abated.

(d) Restoration. Notwithstanding the preceding paragraph, if, within 30 days after the Determination Date, Landlord notifies Tenant that Landlord at its cost will add to the remaining Premises so that the area of the Premises and the space available for parking, will be substantially the same after the Date of Taking as they were before the Date of Taking, and Landlord commences the restoration promptly and, subject to reasonable allowance for delays that are not caused by Landlord, completes it within 90 days after Landlord so notifies Tenant, this Lease shall continue in effect. All obligations of Tenant under this Lease shall remain in effect, except that Base Rent shall be equitably abated or reduced during the period from the Date of Taking until the completion of such restoration.

(e) Award. Tenant shall have no right, title or interest in any Award made for such taking, except for any separate award for fixtures and improvements installed by Tenant Landlord. "Award" shall mean all compensation, sums or anything of value awarded, paid or received on a total or partial Condemnation of the Premises.

(f) Waiver of Statute. Landlord and Tenant hereby waive the provision of California Code of Civil Procedure Section 1265.130 allowing Landlord or Tenant to petition the superior court to terminate this Lease in the event of a partial taking of the Premises.

18. INDEMNIFICATION

(a) Tenant's Indemnity. Tenant shall indemnify, defend and hold Landlord harmless from and against all loss, cost and expense, including attorneys' fees, arising from any injury or damage to any person or property, occurring as a result of the use or occupancy of the Building or Premises by Tenant or its officers, contractors, licensees, agents, employees, invitees or visitors, or any negligent act, omission or willful misconduct of Tenant or its employees, or arising from any breach or default under this Lease by Tenant. The foregoing provisions shall not be construed to make Tenant responsible for loss, damage, liability or expense resulting from injuries to third parties caused by the negligence or willful misconduct of Landlord, or its officers, contractors, licensees, agents, employees or invitees. Nothing in this Lease shall be construed to waive, limit or supersede any of Tenant's rights or immunities under the California Labor Code, including but not limited to a waiver pursuant to Labor Code section 3864.

(b) Landlord's Indemnity. Landlord shall indemnify, defend and hold Tenant harmless from and against all loss, cost and expense, including attorneys' fees, arising from any injury or damage to any person or property, occurring in or about the Building or Premises as a result of any negligent act, omission or willful misconduct of Landlord, or its officers, contractors, licensees, agents, employees, guests, or visitors, or arising from any breach or default under this Lease by Landlord. The foregoing provisions shall not be construed to make Landlord responsible for loss, damage, liability or expense resulting from injuries to third parties caused by the negligence or willful misconduct of Tenant, or its officers, contractors, licensees, agents, employees or invitees.

19. INSURANCE

(a) Landlord's Insurance. During the term of this Lease, Landlord shall maintain the following insurance:

(i) Commercial property insurance which shall (1) cover damage to Landlord's property, including improvements and betterments, from perils covered by the causes-of-loss special form (ISO form CP 10 30), and include ordinance or law coverage (and coverage against acts of terrorism to the extent such coverage is reasonably available and priced at commercially reasonable rates); and (2) be written for full replacement cost of the property, with a deductible of no greater than 5% of the property value. Landlord shall carry insurance on any furniture and furnishings which will become the property of Tenant at the expiration of the Term and on all modular furniture installed in the Premises. Insurance proceeds shall be payable to Landlord and Tenant as their interests may appear and be utilized for repair and restoration of the Premises.

(ii) General liability insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following: (1) per occurrence and general aggregate amount of \$5,000,000; (2) products/completed operations aggregate of \$2,000,000; and (3) personal and advertising injury of \$1,000,000.

(iii) Failure by Landlord to maintain the insurance required by this Section and deliver evidence thereof as required by this Lease or to use any insurance proceeds to timely repair and restore the Premises shall constitute a material breach of this Lease.

(b) Insurance Requirements. All insurance policies required to be maintained by Landlord under this Lease shall be issued by insurance companies which have a Best's Rating of "AVII" or better and which are qualified to do business in the State of California. All liability and property damage and other casualty policies of Landlord shall be written as primary policies, not contributing with, and not in excess of coverage which Tenant may carry.

(c) Certificates. Landlord shall deliver to Tenant on the Commencement Date of this Lease and thereafter at least 15 days prior to expiration of any insurance required to be carried hereunder, certificates of insurance evidencing this coverage with limits not less than those specified above. Certificates shall include the address of the leased premises and must document that each party has named the other as an additional insured (or its equivalent) on its general liability and property insurance policy, and that Tenant has been named a loss payee on Landlord's commercial property insurance policy with respect to any furniture and tenant improvements, which will become the property of Tenant. At the end of the fifth year (5th) year of the lease, when the furniture and tenant improvements have been paid off by Tenant, Landlord will remove the business personal property value from the insurance and Tenant will be solely responsible for insuring the personal property. Further, all certificates shall expressly provide that no less than 30 days' prior written notice shall be given to Tenant

in the event of material change to, expiration or cancellation of the coverages or policies evidenced by the certificates.

(d) Waiver of Subrogation. Landlord and Tenant each hereby waive their rights of subrogation against one another to the extent it is covered by the property insurance policies required to be carried hereunder. Landlord shall cause its insurance carriers to consent to the foregoing waiver of rights of subrogation against Tenant.

20. PARKING

(a) Tenant's Rights. Tenant shall have the right to 238 surface parking spaces, with access on the Hamilton Avenue frontage of the Building and surface parking spaces, with access on the West and rear of the Building without charge for the Term of this Lease. No tandem parking shall be permitted and Tenant shall be entitled to full in/out privileges. Tenant's parking rights shall be subject to reasonable parking rules and regulations adopted by Landlord from time to time, provided that such procedures shall be uniformly applied to all tenants. Tenant acknowledges that all other parking spaces are not for the exclusive use of Tenant, rather, all such parking spaces are to be used on a non-exclusive, first-come, first-served basis by Tenant and other tenants, occupants, licensees, invitees and permittees of the Building.

(b) Remedies. Landlord acknowledges that it is a material term of this Lease that Tenant receive all of the Parking Spaces to which it is entitled under this Lease for the entire Term of this Lease and that it would be impracticable and extremely difficult to fix the actual damages for a breach of such provisions. It is therefore agreed that if, for any reason whatsoever, a material number of the Parking Spaces required above are not available to Tenant, (in addition to the rights given to Tenant under Section 14 and Sections 9 and 17 in the event of casualty or condemnation) Tenant may (a) terminate this Lease by giving written notice of such termination to Landlord, which notice shall be effective 30 days thereafter or (b) deduct from the Base Rent thereafter accruing hereunder an amount each month equal to the Base Rent times the percentage of Parking Spaces not so provided times 1.5 but such deduction from Base Rent shall be not less than ten percent (10%) nor more than one hundred percent (100%).

21. ENVIRONMENTAL MATTERS

(a) Hazardous Materials. Tenant shall not cause nor permit, nor allow any of Tenant's employees, agents, customers, visitors, invitees, licensees, contractors, assignees or subtenants to cause or permit, any Hazardous Materials to be released from, brought upon, stored, manufactured, generated, blended, handled, recycled, treated, disposed or used on, under or about the Premises, the Building or the Common Areas, except for routine office and janitorial supplies in usual and customary quantities stored, used and disposed of in accordance with all applicable Environmental Laws. As used herein, "Hazardous Materials" means any chemical, substance, material, controlled substance, object, condition, waste, living organism or combination thereof, whether solid, semi solid, liquid or gaseous, which is or may be hazardous to human health or safety or to the environment due to its radioactivity, ignitability, corrosivity,

reactivity, explosivity, toxicity, carcinogenicity, mutagenicity, phytotoxicity, infectiousness or other harmful or potentially harmful properties or effects, including, without limitation, molds, toxic levels of bacteria, tobacco smoke within the Premises, petroleum and petroleum products, asbestos, radon, polychlorinated biphenyls (PCBs), refrigerants (including those substances defined in the Environmental Protection Agency's "Refrigerant Recycling Rule," as amended from time to time) and all of those chemicals, substances, materials, controlled substances, objects, conditions, wastes, living organisms or combinations thereof which are now or become in the future listed, defined or regulated in any manner by any Environmental Law based upon, directly or indirectly, such properties or effects. As used herein, "Environmental Laws" means any and all federal, state or local environmental, health and/or safety-related laws, regulations, standards, decisions of courts, ordinances, rules, codes, orders, decrees, directives, guidelines, permits or permit conditions, currently existing and as amended, enacted, issued or adopted in the future which are or become applicable to Tenant, the Premises, the Building or the Common Areas.

(b) Mutual Indemnity. Landlord shall indemnify, protect, defend (by counsel acceptable to Tenant) and hold harmless Tenant from and against any and all claims, judgments, causes of action, damage, penalties, fine, taxes, costs, liabilities, losses and expenses arising at any time during or after the Term as a result (directly or indirectly) of or in connection with the presence of Hazardous Materials on, under or about the Premises, Building or Common Areas or other violation of laws relating to Hazardous Materials other than caused by Tenant. Tenant shall indemnify, protect, defend (by counsel acceptable to Landlord) and hold harmless Landlord from and against any and all claims, judgments, causes of action, damage, penalties, fine, taxes, costs, liabilities, losses and expenses arising at any time during or after the Term as a result (directly or indirectly) of or in connection with the presence of Hazardous Materials on, under or about the Premises, Building or Common Areas or other violation of laws relating to Hazardous Materials to the extent caused by Tenant. The indemnities provided under this Section shall include, without limitation, the cost of any required or necessary repair, cleanup or detoxification, and the preparation and implementation of any closure, monitoring or other required plans, as such action is required by local or state laws or any governmental agency. Each party shall promptly deliver to the other party a copy of any notice received from any governmental agency during the Term of this Lease concerning the presence of Hazardous Materials in the Building or the Premises. Each party's obligations pursuant to the foregoing indemnities shall survive the expiration or termination of this Lease. A default by either party under this Section shall constitute a material default of such party under this Lease.

22. ESTOPPEL CERTIFICATES. Tenant shall, from time to time, within 30 days after written request of Landlord, execute, acknowledge and deliver to Landlord or its designee a written statement in the form of form of Exhibit "D" attached hereto and incorporated herein by this reference but shall have no other obligation to deliver any other form of estoppel certificate. It is intended that any such statement delivered pursuant to this Section may be relied upon by a prospective purchaser of Landlord's interest or holder (or prospective holder) of any mortgage upon Landlord's interest in the Premises.

23. TENANT IMPROVEMENTS. Prior to the Commencement Date, Landlord shall construct the Tenant Improvements (as defined in Landlord's Work Letter) in the manner set forth in the Landlord's Work Letter executed by Landlord and Tenant concurrently herewith.

24. LIENS. Tenant shall keep its interest in this Lease and the Premises free from any liens arising out of any work performed or materials ordered or obligations incurred by or on behalf of Tenant and hereby indemnifies and holds Landlord harmless from any liability or loss from any such lien. Landlord shall keep its interest in this Lease and the Premises free from any liens which would impair the interest of Tenant hereunder and hereby indemnifies and holds Tenant harmless from any liability or loss from any such lien.

25. SUBORDINATION AND MORTGAGES

(a) Subordination and Non-Disturbance. Tenant agrees, at Landlord's option, to subordinate this Lease to the lien of any mortgages or deeds of trust now or hereafter in force against the Building; provided, however, Tenant's obligation to subordinate this Lease is expressly conditioned upon Tenant receiving a written agreement in the form of form of Exhibit "E" attached hereto and incorporated herein by this reference, and provided further that no such subordination shall affect any option to extend the Term of this Lease, right of first offer to lease additional premises, option to purchase or right of first offer to purchase the Property which may be included herein.

(b) Existing Deeds of Trust. The beneficiary under any existing deed of trust affecting the Building shall provide a written agreement to Tenant in the form of Exhibit "F" attached hereto and incorporated herein by this reference within 30 days after the execution of this Lease.

(c) Request for Notice. Landlord acknowledges that Tenant intends to record a Request for Notice with respect to any mortgages or deeds of trust affecting the Property in the form of Exhibit "G" attached hereto and incorporated herein by this reference.

(d) Notice of Default. If any mortgagee or beneficiary under a deed of trust affecting the Property gives written notice of its name and address to Tenant by registered mail requesting any such notice with reference to this Section, Tenant agrees to use its best efforts (but without liability for failure to do so) to give such mortgagee a copy of any notice of default served upon Landlord hereunder which could permit Tenant to terminate this Lease and an additional ten (10) days within which to cure such default.

26. SURRENDER OF POSSESSION. Subject to casualty, at the expiration of the Term of this Lease, whether by lapse of time or otherwise, Tenant shall promptly and peacefully surrender the Premises to Landlord in a "broom-clean" condition. Tenant may (but shall not be required to) remove, at its own expense, all fixtures, equipment and all other personal property placed or installed in or upon the Premises by Tenant, or under its authority (including any modular furniture).

27. SIGNAGE. Tenant shall be permitted to install at the Premises reasonably appropriate signs that conform with any and all applicable laws and ordinances; subject to Landlord's reasonable review and approval for Alterations provided under Section 16(a) above.

28. QUIET ENJOYMENT. So long as Tenant is not in default hereunder, Tenant shall have the right to the quiet and peaceful enjoyment and possession of the Premises and the Common Areas during the Term of this Lease, subject to the terms and conditions of this Lease.

29. GENERAL

(a) Headings. Titles to Sections of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.

(b) Successors and Assigns. All of the covenants, agreements, terms and conditions contained in this Lease shall inure to and be binding upon the Landlord and Tenant and their respective successors and assigns.

(c) Brokers. Landlord and Tenant each represent and warrant to each other that it has not engaged any broker, finder or other person who would be entitled to any commission or fees in respect of the negotiation, execution or delivery of this Lease other than as disclosed to the other in writing and shall indemnify and hold harmless each other against any loss, cost, liability or expense incurred by the other party as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made in variance with this representation.

(d) Entire Agreement. This Lease (and the Landlord's Work Letter and Supplemental Lease Documents) is the final and complete expression of Landlord and Tenant relating in any manner to the leasing, use and occupancy of the Premises, to Tenant's use of the Building and other matters set forth in this Lease. No prior agreements or understanding pertaining to the same shall be valid or of any force or effect and the covenants and agreements of this Lease shall not be altered, modified or added to except in writing signed by both Landlord and Tenant.

(e) Severability. Any provision of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof and the remaining provisions hereof shall nevertheless remain in full force and effect.

(f) Notices. All notices and communications to any party hereunder shall be in writing and shall be deemed properly given if delivered personally, sent by registered or certified mail, postage prepaid, or by a recognized overnight commercial messenger providing proof of delivery, or by email or facsimile (electronically confirmed) to Landlord's Address for Notice and Tenant's Address for Notice as set forth in Section 1. Any notice so given shall be deemed to have been given as of the date of delivery

(whether accepted or refused). Any such notice not so given shall be deemed given upon receipt of the same by the party to whom the same is to be given.

(g) Governing Law and Forum. This Lease shall be governed by and construed in accordance with the internal laws of the State of California. Any litigation with respect to this Lease shall be conducted in the County of Los Angeles, State of California.

(h) Waivers. No waiver by Landlord or Tenant of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by Landlord or Tenant of the same or any other provision. Landlord's or Tenant's consent to or approval of any act shall not be deemed to render unnecessary the obtaining of Landlord's or Tenant's consent to or approval of any subsequent act by Landlord or Tenant.

(i) Time of Essence. Time is of the essence for the performance of all of the obligations specified hereunder.

(j) Consent. Whenever any consent is required by Landlord or Tenant hereunder, such consent shall not be unreasonably withheld, conditioned or delayed and, unless otherwise specifically provided herein, shall be deemed granted if not refused within ten (10) business days after written request is made therefore, together with all necessary information.

(k) Community Business Enterprises. Landlord shall complete and deliver to Tenant concurrently with the execution hereof a Community Business Enterprises form set forth as Exhibit H attached hereto and incorporated herein by this reference.

30. AUTHORITY. Only the Board of Supervisors has the authority, by formally approving and/or executing this Lease, to bind the County to the terms included herein. Each individual executing this Lease on behalf of Tenant represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Tenant, and that this Lease is binding upon Tenant in accordance with its terms. Landlord understands that no material terms of this Lease may be altered or deleted, nor may any new material terms be added to this Lease, without the express written approval of the Board of Supervisors, either through an amendment to the Lease or by other formal board action. No County officer, employee, agent or independent contractor has any authority to alter, add or delete the material terms of this Lease and Landlord may not rely upon any representations to the contrary. This limitation of authority applies to all material terms of the Lease including, without limitation, any monetary ceiling established for Tenant Improvements or other project costs of Landlord which are subject to reimbursement by County. County shall not reimburse Landlord for any expenses which exceed this ceiling. Notwithstanding the foregoing, the Chief Executive Officer of the County or its delegee (the "Chief Executive Officer") may take any administrative act on behalf of Tenant hereunder which does not have the effect of increasing Base Rent or other financial obligations of Tenant under this Lease, including without limitation, granting any approvals, terminating this Lease in the manner provided

herein by an Early Termination Notice or otherwise, signing estoppel certificates, signing the Commencement Date Memorandum and Confirmation of Lease Terms or subordinating this Lease. Each individual executing this Lease on behalf of Landlord represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Landlord, and that this Lease is binding upon Landlord in accordance with its terms.

31. ACKNOWLEDGMENT BY LANDLORD

Landlord acknowledges that it is aware of the following provisions:

(a) Consideration of GAIN Program Participants. Should Landlord require additional or replacement personnel after the effective date of this Lease, Landlord shall give consideration for any such employment, openings to participants in the County Department of Public Social Services' Greater Avenues for Independence ("GAIN") Program who meet Landlord's minimum qualifications for the open position. The County will refer GAIN participants by job category to Landlord.

(b) Solicitation of Consideration. It is improper for any County officer, employee or agent to solicit consideration in any form from a landlord with the implication, suggestion or statement that the landlord's provision of the consideration may secure more favorable treatment for the landlord in the award of the Lease or that landlord's failure to provide such consideration may negatively affect the County's consideration of the landlord's offer to lease. A landlord shall not offer or give, either directly or through an intermediary, consideration in any form to a County officer, employee or agent for the purpose of securing favorable treatment with respect to the award of the Lease.

Landlord shall immediately report any attempt by a County officer, employee or agent to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (213) 974-0914 or (800) 544-6861. Failure to report such solicitation may result in the landlord's submission being eliminated from consideration.

(c) Landlord Assignment

(i) Landlord may assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease or any portion thereof (including the right to receive rental payments but excluding its duties and obligations hereunder), and Landlord may execute any and all instruments providing for the payment of Base Rent directly to an assignee or transferee, but only if the conditions set forth in this Section are met.

(ii) Any document or agreement purporting to assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease or any portion thereof, is hereinafter referred to as a "Security Agreement." Any

Security Agreement which is executed without full compliance with the requirements of this Section shall be void.

(iii) Each assignee or transferee under the Security Agreement shall certify and agree in writing that such assignee or transferee has read and is familiar with the requirements of Sections 5950-5955 of the California Government Code, which prohibits the offer or sale of any security constituting a fractional interest in this Lease or any portion thereof, without the prior written consent of the County. Notwithstanding the foregoing, the County hereby acknowledges and agrees that Landlord shall have the right to encumber the Property with CMBS (collateralized mortgage backed securities) financing or other traditional real estate financing. However, Landlord may not encumber the Property through any type of bond financing vehicle, including but not limited to certificate of participation financing.

(iv) Violation by Landlord of the provisions of Section 5951 of the California Government Code will constitute a material breach of this Lease, upon which the County may impose damages in an amount equal to the greater of (a) \$500,000 or (b) 10% of the aggregate principal portion of all rental payments payable by the County during the entire Term of this Lease, it being expressly agreed that the aforesaid amount shall be imposed as liquidated damages, and not as a forfeiture or penalty. It is further specifically agreed that the aforesaid amount is presumed to be the amount of damages sustained by reason of any such violation, because from the circumstances and nature of the violation it would be impracticable and extremely difficult to fix actual damages. In addition, the County may exercise or pursue any other right or remedy it may have under this Lease or applicable law.

(v) Landlord shall give the County notice and a copy of each Security Agreement and any other instrument relating thereto (including, but not limited to, instruments providing for the payment of Base Rent directly to an assignee or transferee) at least two weeks prior to the effective date thereof.

(vi) Landlord shall not furnish any information concerning County or the subject matter of this Lease (including, but not limited to, offering memoranda, financial statements, economic and demographic information, and legal opinions rendered by the office of counsel for the County) to any person or entity, except with County's prior written consent; provided that County hereby consents to the furnishing of such information to Landlord's investors and prospective investors and any purchaser or prospective purchaser of Landlord's interest in the Premises or the Building. Landlord shall indemnify, defend and hold County and its officers, agents and employees harmless from and against all claims and liability alleged to arise from the inaccuracy or incompleteness of any information furnished by Landlord in violation of this Section.

(vii) The provisions of this Section shall be binding upon and applicable to the parties hereto and their respective successors and assigns. Whenever in this Section Landlord is referred to, such reference shall be deemed to include Landlord's successors or assigns, and all covenants and agreements by or on behalf of

Landlord herein shall bind and apply to Landlord's successors and assigns whether so expressed or not.

32. TERMINATION OF EXISTING LEASE AGREEMENT

Landlord and Tenant mutually agree that upon the Commencement Date, Amendment No. 1 to Lease agreement No. 73638 dated May 28, 2012 shall automatically terminate.

33. OPTION TO RENEW

(a) Terms of Option. Provided that no material Default has occurred and is continuing under the Lease at the time the option is exercised, Tenant shall have two (2) options to renew this Lease for an additional period of five (5) years each ("Extension Terms").

(b) If Tenant elects to exercise its option to extend the Lease, Tenant shall give Landlord written notice by Chief Executive Office letter no later than ninety (90) days prior to the end of the initial Term. The rights contained in this Section shall be personal to the original Tenant and may only be exercised by the original Tenant and not any other assignee, sublessee or other transferee of the original Tenant's interest in this Lease. Landlord and Tenant acknowledge that only the Board of Supervisors of the County of Los Angeles (Board) possesses the authority for Tenant to actually exercise an option, and therefore, any exercise of an option will be valid and binding only if specifically authorized by the Board through their express vote and approval.

(c) Terms and Conditions of Extension Term. The Extension Term shall be at Fair Market Value (FMV).

34. IRREVOCABLE OFFER

In consideration for the time and expense that Tenant will invest, including, but not limited to, preliminary space planning, legal review, and preparation and noticing for presentation to the Tenant Real Estate Management Commission of Los Angeles County in reliance on Landlord's agreement to lease the Premises to Tenant under the terms of this Lease, Landlord irrevocably offers to enter into this Lease and not to revoke this offer until the Irrevocable Offer Expiration Date, as defined in Section 1.

IN WITNESS WHEREOF this Lease has been executed the day and year first above set forth.

LANDLORD:

HAMILTON VENTURE LLP,
A California limited partnership

By: 

THOMAS SPEAR
Authorized Agent

TENANT:

COUNTY OF LOS ANGELES,
a body politic and corporate

By: 

HILDA L. SOLIS
Chair, Board of Supervisors

ATTEST:

LORI GLASGOW
Executive Officer
Board of Supervisors

By: 

Deputy



I hereby certify that pursuant to
section 25103 of the government code,
delivery of this document has been made

LORI GLASGOW
Executive Officer
Clerk of the Board of Supervisors

By: 

DEPUTY

APPROVED AS TO FORM:

MARY C. WICKHAM
County Counsel


By: 

Deputy

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

22

MAY 03 2016


LORI GLASGOW
EXECUTIVE OFFICER

78484

EXHIBIT A
FLOOR PLAN OF PREMISES

EXHIBIT B
COMMENCEMENT DATE MEMORANDUM

Reference is made to that certain lease ("Lease") dated, between County of Los Angeles, a body politic and corporate ("Tenant"), and Hamilton Venture LP, ("Landlord"), whereby Landlord leased to Tenant and Tenant leased from Landlord certain premises in the building located at 20221 Hamilton Avenue, Torrance("Premises"),

Landlord and Tenant hereby acknowledge as follows:

- (1) Landlord delivered possession of the Premises to Tenant in a Substantially Complete condition on _____;
- (2) The Lease commenced on _____;
- (3) The Premises contain _____ rentable square feet of space and parking spaces; and
- (4) Base Rent of \$ _____ (\$ per square foot).

IN WITNESS WHEREOF, this Memorandum is executed this _____ day of _____, 201_.

"Tenant"	"Landlord"
COUNTY OF LOS ANGELES, a body politic and corporate	HAMILTON VENTURE LP, a California Limited Partnership
By: _____ CHRISTOPHER M. MONTANA Director of Real Estate	By: _____ Name: _____ Its: _____

EXHIBIT C

CLEANING AND MAINTENANCE SCHEDULE FOR THE PREMISES

1. DAILY (Monday through Friday)

- A. Carpets vacuumed.
- B. Composition floors dust-mopped.
- C. Desks, desk accessories and office furniture dusted. Papers and folders left on desk not to be moved.
- D. Waste baskets, other trash receptacles emptied.
- E. Chairs and waste baskets returned to proper position.
- F. Fingerprints removed from glass doors and partitions.
- G. Drinking fountains cleaned, sanitized and polished.
- H. Lavatories, toilets and toilet rooms cleaned and mopped. Toilet supplies replenished.
- I. Bulb and tube replacements, as required.
- J. Graffiti expunged as needed within two (2) working days after notice by Tenant.
- K. Floors washed as needed.
- L. Kitchen/Lunchroom supplies replenished including paper supplies and soap.
- M. Exclusive day porter service from ____ to ____ (if provided by contract).

2. WEEKLY

- A. Low-reach areas, chair rungs, baseboards and insides of door jambs dusted.
- B. Window sills, ledges and wood paneling and molding dusted.

3. MONTHLY

- A. Floors washed and waxed in uncarpeted office area.
- B. High-reach areas, door frames and tops of partitions dusted.
- C. Upholstered furniture vacuumed, plastic and leather furniture wiped.
- D. Picture moldings and frames dusted.
- E. Wall vents and ceiling vents vacuumed.
- F. Carpet professionally spot cleaned as required to remove stains.
- G. HVAC chiller water checked for bacteria, water conditioned.

4. QUARTERLY

- A. Light fixtures cleaned and dusted, but not less frequently than Quarterly.
- B. Wood furniture polished.
- C. Draperies or mini-blinds cleaned as required, but not less frequently than Quarterly.
- D. HVAC units serviced for preventative maintenance purposes, all filters changed.

5. SEMI-ANNUALLY

- A. Windows washed as required inside and outside but not less frequently than twice annually.
- B. All painted wall and door surfaces washed and stains removed.

C. All walls treated with vinyl covering washed and stains removed.

6. ANNUALLY

- A. Furniture Systems and any other fabric or upholstered surfaces including chairs, couches, walls, etc., spot cleaned, or if determined to be necessary in Tenant's sole discretion, professionally cleaned in their entirety using a water extraction system.
- B. Bathroom and any other ceramic tile surfaces professionally cleaned using a hand scrub process. All grout and porous surfaces resealed with a professional grade sealant.
- C. Touch-up paint all interior painted surfaces in a color and finish to match existing.

7. AS NEEDED

- A. Premises and the sidewalks, driveways, parking areas and all means of access and egress for the Premises should be maintained in good repair, and in clean and safe condition at all times.
- B. All lawns, shrubbery and foliage on the grounds of the Premises should be maintained in good condition and neat in appearance. Grass and shrubbery must be replanted as needed to maintain the grounds in good appearance and condition.
- C. Interior and exterior pest control inspections and remediation frequency is to be determined by a licensed exterminator.
- D. Carpets to be cleaned using a non-detergent, low moisture, soil encapsulation system as recommended by the carpet manufacturer. The following schedule will be maintained for carpet cleaning: (i) heavy traffic areas as needed with a minimum frequency of six (6) times per year; (ii) moderate traffic areas cleaned as needed with a minimum of two (2) times per year; and (iii) clean light traffic areas a minimum of once per year. Landlord agrees that bonnet cleaning is not an acceptable method of cleaning carpets.
- E. All walls repainted throughout the Premises. The paint finish should be eggshell or semi-gloss as directed by Tenant and in a color acceptable to Tenant. In no event will Landlord be required to repaint or replace wall coverings more than one (1) time in a five (5) year period (the "Occurrence"). The initial tenant improvements completed prior to Tenant's occupancy or as a condition to the renewal of the Lease shall not constitute and Occurrence for the purpose of determining the frequency of this work.

8. GENERAL

Landlord shall, upon request of Tenant, produce written service contracts as evidence of compliance with the terms of this Cleaning and Maintenance Schedule.

EXHIBIT D

TENANT ESTOPPEL CERTIFICATE

To: _____

Attn: _____

Re: Date of Certificate: _____
 Lease Dated: _____
 Current Landlord: _____
 Located at: _____

 Premises: _____

 Commencement Date of Term: _____
 Expiration Date: _____
 Current Rent: _____

County of Los Angeles ("Tenant") hereby certifies that as of the date hereof:

1. Tenant is the present owner and holder of the tenant's interest under the lease described above, as it may be amended to date (the "Lease"). The Lease covers the premises described above (the "Premises") in the building (the "Building") at the address set forth above.
2. (a) A true, correct and complete copy of the Lease (including all modifications, amendments, supplements, side letters, addenda, and riders of and to it) is attached to this Certificate as Exhibit A.
 (b) The current rent is set forth above.
 (c) The term of the Lease commenced on the Commencement Date set forth above and will expire on the Expiration Date set forth above, including any presently exercised option or renewal term. Except as specified in the Lease, Tenant has no option or right to renew, extend or cancel the Lease.
 (d) Except as specified in the Lease, Tenant has no option or right to lease additional space in the Premises or Building or to use any parking.
 (e) Except as specified in the Lease, Tenant has no option or preferential right to purchase all or any part of the Premises (or the land of which the Premises are a part).
 (f) Tenant has made no agreement with Landlord or any agent, representative, or employee of Landlord concerning free rent, partial rent, rebate of rental payments, or any other similar rent concession, except as expressly set forth in the Lease.
3. (a) The Lease constitutes the entire agreement between Tenant and Landlord with respect to the Premises, has not been modified, changed, altered, or amended and is in full force and effect. There are no other agreements, written or oral, which affect Tenant's occupancy of the Premises.
 (b) To the knowledge of Tenant, Tenant has not given Landlord written notice of a material default under the Lease which has not been cured.

(c) The interest of Tenant in the Lease has not been assigned or encumbered. Tenant is not entitled to any credit against any rent or other charge or rent concession under the Lease except as set forth in the Lease. No rental payments have been made more than one month in advance.

4. All contributions required to be paid by Landlord to date for improvements to the Premises have been paid in full and all of Landlord's obligations with respect to tenant improvements have been fully performed.

IN WITNESS WHEREOF, the Tenant has executed this Tenant Estoppel Certificate as of the day set forth above.

COUNTY OF LOS ANGELES

By: _____
CHRISTOPHER M. MONTANA
Director of Real Estate

APPROVED AS TO FORM:

MARY C. WICKHAM
County Counsel

By: _____
Deputy

EXHIBIT E

SUBORDINATION, NON-DISTURBANCE
AND ATTORNMENT AGREEMENT

AND WHEN RECORDED MAIL TO:

County of Los Angeles
CHIEF EXECUTIVE OFFICE
Real Estate Division
222 South Hill Street, 3rd Floor
Los Angeles, California 90012

)
)
)
)
)
)

Space above for Recorder's Use

SUBORDINATION, NON-DISTURBANCE
AND ATTORNMENT AGREEMENT

NOTICE: THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT RESULTS IN YOUR LEASEHOLD ESTATE BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

This Subordination, Non-Disturbance and Attornment Agreement ("Agreement") is entered into as of the _____ day of _____, 20__ by and among COUNTY OF LOS ANGELES, a body politic and corporate ("Tenant"), HAMILTON VENTURE LP, a California limited partnership ("Borrower") and _____, ("Lender").

Factual Background

A. Borrower owns certain real property more particularly described in the attached Exhibit A. The term "Property" herein means that real property together with all improvements (the "Improvements") located on it.

B. Lender has made or agreed to make a loan to Borrower. The Loan is or will be secured by a deed of trust or mortgage encumbering the Property (the "Deed of Trust").

C. Tenant and Borrower (as "Landlord") entered into a lease dated _____ (the "Lease") under which Borrower leased to Tenant a portion of the Improvements located within the Property and more particularly described in the Lease (the "Premises").

D. Tenant is willing to agree to subordinate certain of Tenant's rights under the Lease to the lien of the Deed of Trust and to attorn to Lender on the terms and conditions of this Agreement. Tenant is willing to agree to such subordination and attornment and other conditions, provided that Lender agrees to a Non-Disturbance provision, all as set forth more fully below.

Agreement

Therefore, the parties agree as follows:

1. Subordination. The Lease shall be subject and subordinate to the lien of the Deed of Trust and to any renewals, modifications, consolidations, replacements and

extensions of the Deed of Trust to the full extent of the principal sum secured by the Deed of Trust including any interest except that if Tenant is granted any option to extend the term of the Lease, right of first offer to lease additional premises, option to purchase the Property, or right of first option to purchase the Property in the Lease such provisions shall not be affected or diminished by this subordination which is conditioned upon the agreement of Borrower and Lender in section 3 hereof.

2. Definitions of "Transfer of the Property" and "Purchaser". As used herein, the term "Transfer of the Property" means any transfer of Borrower's interest in the Property by foreclosure, trustee's sale or other action or proceeding for the enforcement of the Deed of Trust or by deed in lieu thereof. The term "Purchaser", as used herein, means any transferee, including Lender, of the interest of Borrower as a result of any such Transfer of the Property and also includes any and all successors and assigns, including Lender, of such transferee.

3. Non-Disturbance. The Transfer of the Property or any enforcement of the Deed of Trust shall not terminate the Lease or disturb Tenant in the possession and use of the leasehold estate created thereby, or deprive Tenant of any other property rights granted in the Lease.

4. Attornment. Subject to Section 3 above, if any Transfer of the Property should occur, Tenant shall and hereby does attorn to Purchaser, including Lender if it should be the Purchaser, as the landlord under the Lease, and Tenant shall be bound to Purchaser under all of the terms, covenants and conditions of the Lease for the balance of the Lease term and any extensions or renewals of it which may then or later be in effect under any validly exercised extension or renewal option contained in the Lease, all with the same force and effect as if Purchaser had been the original landlord under the Lease. This attornment shall be effective and self-operative without the execution of any further instruments upon Purchaser's succeeding to the interest of the landlord under the Lease.

5. Lender Not Obligated. Lender, if it becomes the Purchaser or if it takes possession under the Deed of Trust, and any other Purchaser shall not (a) be liable for any damages or other relief attributable to any act or omission of any prior Landlord under the Lease including Borrower; or (b) be subject to any offset or defense not specifically provided for in the Lease which Tenant may have against any prior landlord under the Lease; or (c) be bound by any prepayment by Tenant of more than one month's installment of rent; or (d) be obligated for any security deposit not actually delivered to Purchaser; or (e) be bound by any modification or amendment of or to the Lease unless the amendment or modification shall have been approved in writing by the Lender.

6. Notices. All notices given under this Agreement shall be in writing and shall be given by personal delivery, overnight receipted courier or by registered or certified United States mail, postage prepaid, sent to the party at its address appearing below. Notices shall be effective upon receipt (or on the date when proper delivery is refused). Addresses for notices may be changed by any party by notice to all other parties in accordance with this Section.

To Lender: _____

To Borrower: HAMILTON VENTURE LLP
c/o Property Management Associates, Inc.
Attn: Property Manager
6011 Bristol Parkway

Culver City, CA 90230

To Tenant: County of Los Angeles
Chief Executive Office
Real Estate Division
222 South Hill Street, 3rd Floor
Los Angeles, California 90012
Attention: Director of Real Estate

7. Miscellaneous Provisions. This Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and assigns. This Agreement is governed by the laws of the State of California without regard to the choice of law rules of that State.

8. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute but one and the same instrument.

TENANT:

COUNTY OF LOS ANGELES,
a body politic and corporate

By: _____
Director of Real Estate

BORROWER:

HAMILTON VENTURE LLP,
a California limited partnership

By: _____

Name: _____

Its: _____

LENDER:

By: _____

Name: _____

Its: _____

APPROVED AS TO FORM:

MARY C. WICKHAM
County Counsel

By: _____
Deputy

EXHIBIT F

REQUEST FOR NOTICE

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

County of Los Angeles
CHIEF EXECUTIVE OFFICE
Real Estate Division
222 South Hill Street, 3rd Floor
Los Angeles, California 90012
Attention: Director of Real Estate

REQUEST FOR NOTICE

(UNDER SECTION 2924B CIVIL CODE)

In accordance with Section 2924b, Civil Code, request is hereby made that a copy of any Notice of Default and a copy of any Notice of Sale under the Deed of Trust described below:

Date of Recording of Deed of Trust

Instrument Number of Deed of Trust

Trustor

Trustee

Beneficiary

be mailed to County of Los Angeles, Chief Executive Office, Real Estate Division, 222 South Hill Street, 3rd Floor, Los Angeles, California 90012, Attention: Director of Real Estate.

LENDER:

_____,
a _____

By: _____
SIGNEE'S NAME

Its: _____

(ALL SIGNATURES MUST BE ACKNOWLEDGED)

COUNTY OF _____ ss.

On this ____ day of _____, 20____, before me, _____
_____, a Notary Public in and for the State of California, personally
appeared _____ personally known
to me (or proved on the basis of satisfactory evidence) to be the person(s) whose
name(s) is/are subscribed to the within instrument and acknowledged to me that
he/she/they executed the same in his/her/their authorized capacity(ies), and that
by his/her/their signature(s) on the instrument the person(s), or the entity upon
behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal

Signature _____

My commission expires _____.

EXHIBIT G

COMMUNITY BUSINESS ENTERPRISE FORM

INSTRUCTIONS: All Landlords shall submit this form on an annual basis on or before December 30th of each year of the term of this agreement as evidence of CBE participation. The information requested below is for statistical purposes only. On final analysis and consideration, leases will be selected without regard to gender, race, creed, or color. Categories listed below are based on those described in 49 CFR Section 23.5.

Firm Name	
Address	
Contact Name	
Telephone No.	
Total # of Employees	
Business Structure*	

*Corporation, Partnership, etc.

MINORITY/WOMEN PARTICIPATION IN FIRM

	OWNERS	ASSOCIATE PARTNERS
Black/African American		
Hispanic/Latin		
Asian American		
Portuguese American		
A. Indian/Alaskan		
All Others		
TOTAL		
Women*		

**Should be included in counts above and reported separately)*

PERCENTAGE OF MINORITY/WOMEN OWNERSHIP IN FIRM

	TOTAL # OF OWNERS	% OF OWNERSHIP
Black/African American		
Hispanic/Latin American		
Asian American		
Portuguese American		
American Indian/Alaskan Native		
All Others		
TOTAL		
Women*		

**Should be included in counts above and reported separately*

CURRENT CERTIFICATION AS MINORITY/WOMEN-OWNED FIRM

Is your firm currently certified as a minority owned business firm by the:

	yes	No
State of California?		
City of Los Angeles?		
Federal Government?		

WE DO NOT WISH TO PROVIDE

Initial

Initial here if applicable	
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SIGNED:

TITLE:

DATE: